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LOS ANGELES

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SIEMENS MEDICAL SOLUTIONS USA, INC.

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 NEUROGRAFIX, a California
corporation; WASHINGTON
17 RESEARCH FOUNDATION, a not-
for-profit Washington corporation,

) CASE NO. CV 10-1990 MRP(RZX)

18 Plaintiffs,

} DEFENDANT SIEMENS
MEDICAL SOLUTIONS USA,
INC.'S CORRECTED ANSWER,
AFFIRMATIVE DEFENSES, AND
COUNTERCLAIMS

v.

JURY TRIAL DEMANDED

19 SIEMENS MEDICAL SOLUTIONS
USA, INC., a Delaware corporation;
20 and SIEMENS
AKTIENGESELLSCHAFT, a German
corporation,

The Hon. Mariana R. Pfaelzer
United States District Court Judge

) Defendants.

21 SIEMENS MEDICAL SOLUTIONS USA,
INC.,

23 Counterclaim Plaintiff,

24 vs.

25 NEUROGRAFIX, and WASHINGTON
RESEARCH FOUNDATION

27 Counterclaim Defendants.)

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1

Defendant Siemens Medical Solutions
USA, Inc.'s Corrected Answer,
Affirmative Defenses, and Counterclaims

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3 **I. ANSWER TO COMPLAINT**

4 Defendant Siemens Medical Solutions USA, Inc. (“Siemens Medical”), by and
5 through its undersigned counsel, hereby answers the allegations in the First Amended
6 Complaint of NeuroGrafix and Washington Research Foundation (“WRF”)
7 (collectively, “Plaintiffs”) as follows:

8
9 **NATURE OF THE ACTION**

10 1. Siemens Medical admits that Plaintiffs’ First Amended Complaint alleges
11 infringement of U.S. Patent No. 5,560,360 (the “’360 patent”), but denies that there
12 are any factual or legal bases for Plaintiffs’ claims. Siemens Medical further admits
13 that a document that purports to be a copy of the ’360 patent was attached as Exhibit
14 A to the First Amended Complaint. Except as specifically admitted herein, Siemens
15 Medical denies any remaining allegations in paragraph 1.

16
17 **SUMMARY OF COMPLAINT**

18 2. Siemens Medical admits that Plaintiffs allege infringement against
19 Siemens Medical and Siemens Aktiengesellschaft (“Siemens AG”), but denies that
20 there are any factual or legal bases for Plaintiffs’ claims. Siemens Medical lacks
21 knowledge or information to form a belief as to the truth of the allegation that Aaron
22 G. Filler is the CEO of NeuroGrafix and therefore denies it. Siemens Medical admits
23 that the ’360 patent was issued and that the ’360 patent, on its face, lists Aaron G.
24 Filler and others as inventors. Except as specifically admitted herein, Siemens
25 Medical denies the remaining allegations in paragraph 2.

26 3. Siemens Medical denies the allegations in paragraph 3.

27 4. Siemens Medical admits that in or around 2003, Dr. Filler and/or his

1 associates contacted Siemens Medical to discuss their purchasing or leasing medical
2 equipment from Siemens Medical, and that as part of those discussions Siemens
3 Medical obtained business information from Dr. Filler or a corporate entity with
4 which he was affiliated for the purpose of evaluating financing options for the
5 equipment. Siemens Medical, however, lacks knowledge or information to form a
6 belief as to whether or which of these communications involved NeuroGrafix, and
7 therefore denies the allegation that "Siemens Medical and Plaintiff NeuroGrafix met."
8 Siemens Medical admits that, pursuant to those discussions, a "Mutual Non-
9 Disclosure Agreement" was entered between Siemens Medical and NeuroGrafix for
10 the limited purposes of Siemens Medical providing technical information about its
11 medical equipment and NeuroGrafix providing financial and business information so
12 that Siemens Medical could assess financing options for the equipment. Except as
13 specifically admitted herein, Siemens Medical denies the remaining allegations in
14 paragraph 4.

15 5. Siemens Medical admits that it has not entered into a license agreement
16 with Plaintiffs for the '360 patent. Except as specifically admitted herein, Siemens
17 Medical denies the remaining allegations in paragraph 5.

PARTIES

20 6. Siemens Medical lacks knowledge or information sufficient to form a
21 belief as to the truth of the allegations in paragraph 6 and therefore denies them.

22 7. Siemens Medical lacks knowledge or information sufficient to form a
23 belief as to the truth of the allegations in paragraph 7 and therefore denies them.

24 8. Siemens Medical admits that it is a Delaware corporation with a principal
25 place of business in Malvern, Pennsylvania, and that it conducts business in the State
26 of California. Siemens Medical further admits that it has offices at 5210 Pacific
27 Concourse Drive, Los Angeles, California. Except as specifically admitted herein,

Siemens Medical denies the remaining allegations in paragraph 8.

9. The allegations in paragraph 9 pertain to Siemens AG rather than Siemens Medical and so do not require a response from Siemens Medical. To the extent paragraph 9 does require a response from Siemens Medical, Siemens Medical lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 9 and therefore denies them.

JURISDICTION AND VENUE

10. Siemens Medical admits that this is an action alleging patent infringement and that this Court would have subject matter jurisdiction over a patent infringement action brought by the owner of the '360 patent. Siemens Medical denies that NeuroGrafix has constitutional standing to bring a patent infringement claim under the '360 patent and therefore denies that this Court has subject matter jurisdiction with respect to an infringement claim brought by Plaintiff NeuroGrafix. Siemens Medical lacks knowledge or information sufficient to form a belief as to WRF's constitutional standing to bring a patent infringement claim under the '360 patent and therefore denies that this Court has subject matter jurisdiction with respect to an infringement claim brought by Plaintiff WRF.

11. Subject to the denials regarding constitutional standing of the Plaintiffs in paragraph 10 above, Siemens Medical admits that venue is proper in this District under 28 U.S.C. §§ 1391(b) and 1400(b). Siemens Medical admits that Siemens Medical has offices in this District and that Siemens Medical conducts business within the State of California. To the extent the allegations in paragraph 11 pertain to Siemens AG, they do not require a response from Siemens Medical. To the extent the allegations pertaining to Siemens AG require a response from Siemens Medical, Siemens Medical lacks knowledge or information sufficient to form a belief as to the

truth of those allegations and therefore denies them. Except as specifically admitted herein, Siemens Medical denies the remaining allegations in paragraph 11.

12. Siemens Medical admits that Siemens Medical has offices in this District and that Siemens Medical conducts business within the State of California and that this Court has personal jurisdiction over Siemens Medical in this case. To the extent the allegations in paragraph 12 pertain to Siemens AG, they do not require a response from Siemens Medical. To the extent the allegations pertaining to Siemens AG require a response from Siemens Medical, Siemens Medical lacks knowledge or information sufficient to form a belief as to the truth of those allegations and therefore denies them.

FACTUAL ALLEGATIONS

13. Siemens Medical admits that before the priority date for the '360 patent "many techniques were already known for locating and viewing the brain, spinal cord, and spinal roots within the spinal cord," and that "MRI technology provided an opportunity to view certain structures such as the peripheral nerves." Except as specifically admitted herein, Siemens Medical denies the remaining allegations in paragraph 13.

14. Siemens Medical denies the allegations in paragraph 14.

15. Siemens Medical denies the allegations in paragraph 15.

16. Siemens Medical admits that the '360 patent lists March 8, 1993 as the date on which United States Patent Application No. 08/028,795 was filed with the United States Patent & Trademark Office ("PTO"). Except as specifically admitted herein, Siemens Medical denies the remaining allegations in paragraph 16.

17. Siemens Medical admits that the '360 patent, entitled "Image Neurography and Diffusion Anisotropy Imaging," issued on October 1, 1996, but otherwise denies the allegations in first sentence of paragraph 17. Siemens Medical

1 lacks knowledge or information sufficient to form a belief as to the truth of the
2 allegations in the second sentence of paragraph 17 and therefore denies them.

3 18. Siemens Medical denies the allegations in paragraph 18. Further, to the
4 extent Siemens Medical has used the phrases "MR Neurography," "DW
5 Neurography," and/or "DTI," Siemens Medical disagrees with the meaning ascribed
6 to them in paragraph 18. Siemens Medical denies the allegation in paragraph 18 that
7 "the '360 encompasses" or validly claims "MR Neurography," "DW Neurography,"
8 or "DTI," as Siemens Medical understands, or may have used, those terms and as
9 those terms are understood and used in the field. As Siemens Medical understands, or
10 may have used those or similar phrases, and as those and similar phrases are
11 understood and used in the field, Siemens Medical denies that the '360 patent claims
12 the use of MR for neurography, diffusion weighted imaging for neurography, or
13 diffusion tensor imaging, and denies that the individuals listed as inventors on the face
14 of the '360 patent invented the use of MR for neurography, diffusion weighted
15 imaging for neurography, or diffusion tensor imaging.

16 19. Siemens Medical lacks knowledge or information sufficient to form a
17 belief as to the truth of the allegations in paragraph 19 and therefore denies them.

18 20. Siemens Medical denies that "Dr. Filler and his co-inventors developed
19 the technology claimed in the '360 patent." Siemens Medical lacks knowledge or
20 information sufficient to form a belief as to the truth of the remaining allegations in
21 paragraph 20 and therefore denies them.

22 21. Siemens Medical lacks knowledge or information sufficient to form a
23 belief as to the truth of the allegations in paragraph 21 and therefore denies them.

24 22. Siemens Medical denies the allegation that WRF granted NeuroGrafix all
25 substantial rights in the '360 patent pursuant to an exclusive license agreement, and
26 notes that this Court has already held that "NeuroGrafix was not granted 'all
27 substantial rights' under the '360 patent." (D.I. 47, 6/30/10 Order at 10.) Siemens

1 Medical lacks knowledge or information sufficient to form a belief as to the truth of
2 the remaining allegations in paragraph 22 and therefore denies them.

3 23. To the extent paragraph 23 refers to “MR Neurography,” “DW
4 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
5 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
6 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
7 terms and as those terms are understood and used in the field. Siemens Medical lacks
8 knowledge or information sufficient to form a belief as to the truth of the remaining
9 allegations in paragraph 23 and therefore denies them.

10 24. Siemens Medical lacks knowledge or information sufficient to form a
11 belief as to the truth of the allegations in paragraph 24 and therefore denies them.

12 25. To the extent paragraph 25 refers to “MR Neurography,” “DW
13 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
14 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
15 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
16 terms and as those terms are understood and used in the field. Siemens Medical
17 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens
18 Medical, including Sven Hackmann who was a sales representative, to discuss their
19 purchasing or leasing medical equipment from Siemens Medical, and that as part of
20 those discussions Siemens Medical obtained business information from Dr. Filler or a
21 corporate entity with which he was affiliated for the purpose of evaluating financing
22 options for the equipment. Siemens Medical admits that, pursuant to those
23 discussions, a “Mutual Non-Disclosure Agreement” was entered between Siemens
24 Medical and NeuroGrafix for the limited purposes of Siemens Medical providing
25 technical information about its medical equipment and NeuroGrafix providing
26 financial and business information so that Siemens Medical could assess financing
27 options for the equipment. Siemens Medical admits that in the course of those
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1 discussions regarding the purchase or lease of Siemens Medical equipment, Dr. Filler
2 inquired to Mr. Hackmann whether Siemens Medical would be interested in
3 collaborating on research with Dr. Filler, and Mr. Hackmann informed Dr. Filler that
4 sales representatives for Siemens Medical do not discuss research collaboration with
5 customers, and referred Dr. Filler to Siemens Medical's research and development
6 group. Siemens Medical denies that Mr. Hackmann "expressed his desire to introduce
7 NeuroGrafix's innovations to others at Siemens." Except as specifically admitted
8 herein, Siemens Medical denies the remaining allegations in paragraph 25.

9 26. To the extent paragraph 26 refers to "MR Neurography," "DW
10 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
11 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
12 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
13 terms and as those terms are understood and used in the field. Siemens Medical
14 admits that Dr. Filler may have had communications with scientists at Siemens
15 Medical in or around 2003. Siemens Medical denies the remaining allegations in
16 paragraph 26.

17 27. To the extent paragraph 27 refers to "MR Neurography," "DW
18 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
19 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
20 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
21 terms and as those terms are understood and used in the field. Siemens Medical
22 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens
23 Medical to discuss their purchasing or leasing medical equipment from Siemens
24 Medical, and that subsequent discussions with sales representatives regarding the
25 purchase or lease of equipment from Siemens Medical included emails, telephone
26 calls, and at least one face-to-face meeting. Siemens Medical, however, lacks
27 knowledge or information to form a belief as to whether or which of these
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1 communications involved NeuroGrafix, and therefore denies the allegation that
2 Siemens Medical employees “met with NeuroGrafix.” Siemens Medical denies that
3 as a result of these communications it “became aware of NeuroGrafix’s
4 commercialization of the ’360 patent.” Siemens Medical admits that, pursuant to
5 those communications, a “Mutual Non-Disclosure Agreement” was entered between
6 Siemens Medical and NeuroGrafix for the limited purposes of Siemens Medical
7 providing technical information about its medical equipment and NeuroGrafix
8 providing financial and business information so that Siemens Medical could assess
9 financing options for the equipment. Siemens Medical denies the remaining
10 allegations in the first, second, and fourth sentences of paragraph 27. Siemens
11 Medical lacks knowledge or information sufficient to form a belief as to the truth of
12 the remaining allegations in the third, fifth, and sixth sentences of paragraph 27 and
13 therefore denies them.

14 28. To the extent paragraph 28 refers to “MR Neurography,” “DW
15 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
16 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
17 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
18 terms and as those terms are understood and used in the field. Siemens Medical
19 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens
20 Medical to discuss their purchasing or leasing medical equipment from Siemens
21 Medical, and that as part of those discussions Siemens Medical obtained business
22 information from Dr. Filler or a corporate entity with which he was affiliated for the
23 purpose of evaluating financing options for the equipment. Siemens Medical denies
24 the remaining allegations in paragraph 28.

25 29. To the extent paragraph 29 refers to “MR Neurography,” “DW
26 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
27 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
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1 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
 2 terms and as those terms are understood and used in the field. Siemens Medical
 3 denies the remaining allegations in paragraph 29.

4 30. To the extent paragraph 30 refers to "MR Neurography," "DW
 5 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
 6 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
 7 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
 8 terms and as those terms are understood and used in the field. Siemens Medical
 9 denies the remaining allegations in paragraph 30.

10 31. The allegations in paragraph 31 pertain to Siemens AG rather than
 11 Siemens Medical and so do not require a response from Siemens Medical. To the
 12 extent paragraph 31 requires a response from Siemens Medical, Siemens Medical
 13 lacks knowledge or information sufficient to form a belief as to the truth of the
 14 allegations in paragraph 31 and therefore denies them.

15 32. To the extent paragraph 32 refers to "MR Neurography," "DW
 16 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
 17 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
 18 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
 19 terms and as those terms are understood and used in the field. Siemens Medical
 20 admits that it has agreements with IMRIS and BrainLab and that Siemens Medical
 21 supplies IMRIS and BrainLab with medical equipment. Siemens Medical admits that
 22 it has not entered into a license agreement with Plaintiffs for the '360 patent, and that
 23 Siemens Medical has not funded NeuroGrafix. Except as specifically admitted herein,
 24 Siemens Medical denies the remaining allegations in paragraph 32.

25 33. To the extent paragraph 33 refers to "MR Neurography," "DW
 26 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
 27 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW

1 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
2 terms and as those terms are understood and used in the field. Siemens Medical
3 admits that in a 2006 document it stated that "Diffusion tensor imaging (DTI)
4 represents the next generation of diffusion weighted imaging." Siemens Medical
5 admits that in a 2006 document it stated that "Siemens has recognized the need for a
6 robust DTI package and responded by offering a complete solution," but denies that
7 those statements were made about any technology covered by the '360 patent. Except
8 as specifically admitted herein, Siemens Medical denies the remaining allegations in
9 paragraph 33.

10 34. To the extent paragraph 34 refers to "MR Neurography," "DW
11 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
12 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
13 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
14 terms and as those terms are understood and used in the field. Siemens Medical
15 admits that in or around 2007 Siemens Medical was marketing and selling MRI
16 equipment, and offering a software package referred to as Neuro Suite. Siemens
17 Medical admits that in documents it has stated that "Diffusion weighted imaging is
18 possible with up to 16 b-values in the orthogonal directions as well as multiple
19 direction diffusion weighting in 6 or 12 directions to generate data sets for diffusion
20 tensor imaging," but denies that those statements were made about any technology
21 covered by the '360 patent. Except as specifically admitted herein, Siemens Medical
22 denies the remaining allegations in paragraph 34.

23 35. To the extent paragraph 35 refers to "MR Neurography," "DW
24 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
25 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
26 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
27 terms and as those terms are understood and used in the field. Siemens Medical

1 admits that in or around 2009 it was selling and marketing medical equipment for MR
2 imaging, including syngo DTI Tractography. Siemens Medical admits that it provides
3 instructions for use of its products. Except as specifically admitted herein, Siemens
4 Medical denies the remaining allegations in paragraph 35.

5 36. To the extent paragraph 36 refers to "MR Neurography," "DW
6 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
7 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
8 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
9 terms and as those terms are understood and used in the field. Siemens Medical
10 denies the allegations in paragraph 36.

11 37. To the extent paragraph 37 refers to "MR Neurography," "DW
12 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
13 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
14 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
15 terms and as those terms are understood and used in the field. Siemens Medical
16 denies the allegations in paragraph 37.

17 38. To the extent paragraph 38 refers to "MR Neurography," "DW
18 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
19 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
20 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
21 terms and as those terms are understood and used in the field. Siemens Medical
22 admits that Exhibit B to the First Amended Complaint is a copy of materials that have
23 been available on Siemens Medical's website. Siemens Medical admits that it
24 distributes advertising and promotion materials, including Magnetom Flash magazine.
25 To the extent the allegations in paragraph 38 pertain to Siemens AG, they do not
26 require a response from Siemens Medical. To the extent the allegations pertaining to
27 Siemens AG do require a response from Siemens Medical, Siemens Medical lacks

1 knowledge or information sufficient to form a belief as to the truth of the allegations
2 pertaining to Siemens AG in paragraph 38 and therefore denies them. Except as
3 specifically admitted herein, Siemens Medical denies the remaining allegations in
4 paragraph 38.

5 39. To the extent paragraph 39 refers to “MR Neurography,” “DW
6 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
7 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
8 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
9 terms and as those terms are understood and used in the field. Siemens Medical
10 admits that it has distributed Magnetom Flash magazine at RSNA meetings. Except
11 as specifically admitted herein, Siemens Medical denies the remaining allegations in
12 paragraph 39.

13 40. To the extent paragraph 40 refers to “MR Neurography,” “DW
14 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
15 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
16 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
17 terms and as those terms are understood and used in the field. Siemens Medical
18 denies the allegations in the first and fifth sentences of paragraph 40 of the Complaint.
19 Siemens Medical lacks knowledge or information sufficient to form a belief as to the
20 truth of the allegations in the second, third, and fourth sentences of paragraph 40 and
21 therefore denies them.

22 41. To the extent paragraph 41 refers to “MR Neurography,” “DW
23 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
24 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
25 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
26 terms and as those terms are understood and used in the field. Siemens Medical lacks
27 knowledge or information sufficient to form a belief as to the truth of the remaining

1 allegations in paragraph 41 and therefore denies them.

2 42. To the extent paragraph 42 refers to “MR Neurography,” “DW
3 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
4 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
5 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
6 terms and as those terms are understood and used in the field. Siemens Medical
7 admits that it supplies applications referred to as Neuro Suite, syngo DTI
8 Tractography, syngo DTI Evaluation, Inline Diffusion, and syngo DTI. Siemens
9 Medical admits that its equipment has machine settings and protocols. Except as
10 specifically admitted herein, Siemens Medical denies the remaining allegations in
11 paragraph 42.

12 43. Siemens Medical admits that it has provided IMRIS and/or others with
13 MRI scanners. Siemens Medical admits that it has provided to third parties MRI
14 scanners incorporating the following systems: the V-Engine, Quantum, TQ-Engine, or
15 VQ-Engine systems. Siemens Medical admits that its equipment and gradients have
16 undergone technological progression from 2000 to the present. Siemens Medical
17 denies the remaining allegations in paragraph 43.

18 44. To the extent paragraph 44 refers to “MR Neurography,” “DW
19 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in
20 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW
21 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those
22 terms and as those terms are understood and used in the field. Siemens Medical
23 denies the allegations in paragraph 44.

24 45. Siemens Medical admits that in 2008 Cedars-Sinai indicated to Dr. Filler
25 that he should address correspondence regarding the ’360 patent to Siemens Medical
26 or Siemens AG. Siemens Medical lacks knowledge or information sufficient to form
27 a belief as to the truth of the remaining allegations in paragraph 45 and therefore
28

denies them.

46. Siemens Medical admits that in or around November 2008 Dr. Filler contacted Siemens AG to ask if Siemens was interested in an exclusive or a non-exclusive license to the '360 patent. Siemens Medical denies the remaining allegations in paragraph 46 of the Complaint.

47. To the extent paragraph 47 refers to “MR Neurography,” “DW Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those terms and as those terms are understood and used in the field. Siemens Medical admits that Dr. Filler was informed that Siemens Medical’s products did not require a license to any valid claim of the ’360 patent. Siemens Medical denies the remaining allegations in paragraph 47.

48. Siemens Medical denies the allegations in paragraph 48.

49. To the extent paragraph 49 refers to “MR Neurography,” “DW Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those terms and as those terms are understood and used in the field. Siemens Medical denies the allegations in paragraph 49 of the Complaint.

50. Siemens Medical denies the allegations in paragraph 50 of the Complaint.

COUNT I – INFRINGEMENT OF THE '360 PATENT

51. Siemens Medical incorporates its responses to paragraphs 1 through 50 herein by reference.

52. Siemens Medical admits that the Complaint purports to set forth a claim

1 under the patent laws of the United States, 35 U.S.C. §§ 271 *et seq.*, but denies that
2 there are any factual or legal bases for Plaintiffs' claims.

3 53. Siemens Medical admits that the '360 patent, entitled "Image
4 Neurography and Diffusion Anisotropy Imaging," was issued on October 1, 1996.
5 Siemens Medical denies the remaining allegations in paragraph 53 of the Complaint.

6 54. Siemens Medical lacks knowledge or information sufficient to form a
7 belief as to the truth of the allegations in paragraph 54 and therefore denies them.

8 55. Siemens Medical lacks knowledge or information sufficient to form a
9 belief as to the truth of the allegations in paragraph 55 and therefore denies them.

10 56. Siemens Medical denies the allegations in paragraph 56 of the
11 Complaint. Siemens Medical further notes that this Court has already held that
12 "NeuroGrafix was not granted 'all substantial rights' under the '360 patent." (D.I. 47,
13 6/30/10 Order at 10.)

14 57. To the extent paragraph 57 refers to "MR Neurography," "DW
15 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in
16 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW
17 Neurography," or "DTI," as Siemens Medical understands, or may have used, those
18 terms and as those terms are understood and used in the field. Siemens Medical
19 denies the allegations in paragraph 57 of the Complaint.

20 58. Siemens Medical denies the allegations in paragraph 58 of the
21 Complaint.

22 59. Siemens Medical denies the allegations in paragraph 59 of the
23 Complaint.

24 60. Siemens Medical denies that Plaintiffs are entitled to any relief
25 whatsoever in this action, either as prayed for in the First Amended Complaint or
26 otherwise.

27 61. To the extent the section headings in the First Amended Complaint are
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1 intended to contain any allegations, Siemens Medical specifically denies each and
2 every allegation in the section headings. Siemens Medical further denies each and
3 every allegation in the First Amended Complaint to which Siemens Medical has not
4 specifically admitted.

5 **II. AFFIRMATIVE AND OTHER DEFENSES**

6 Siemens Medical alleges and asserts the following defenses in response to the
7 allegations in the First Amended Complaint, undertaking the burden of proof only as
8 to those defenses deemed affirmative defenses by law, regardless of how such
9 defenses are denominated herein:

10 **FIRST DEFENSE**

11 62. The First Amended Complaint fails to state a claim upon which relief can
12 be granted, including but not limited to its failure to state a claim that Siemens
13 Medical purportedly jointly infringes the '360 patent by directing or controlling the
14 actions of other parties.

15 **SECOND DEFENSE**

16 63. Siemens Medical does not infringe, has not infringed, directly, indirectly,
17 willfully, or otherwise, and does not and has not induced infringement or contributed
18 to infringement of the '360 patent under any theory, including literal infringement or
19 infringement under the doctrine of equivalents.

20 **THIRD DEFENSE**

21 64. The claims of the '360 patent are invalid for failing to comply with one
22 or more of the conditions for patentability as set forth in Title 35 of the United States
23 Code, including without limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112.

24 **FOURTH DEFENSE**

25 65. By reason of statements and claim amendments made by or on behalf of
26 the applicants during the prosecution of the applications that led to the issuance of the
27 '360 patent, Plaintiffs are estopped from asserting a scope for the claims of the '360

1 patent that would cover Siemens Medical's allegedly infringing activity.

2 **FIFTH DEFENSE**

3 66. Plaintiffs' suit is barred or its claim for recovery is limited under the
4 doctrines of waiver, acquiescence, estoppel, implied license, and/or unclean hands.

5 **SIXTH DEFENSE**

6 67. Plaintiffs' claims are barred in whole or in part by the doctrine of laches.

7 **SEVENTH DEFENSE**

8 68. Plaintiffs' suit is barred or its claim for recovery is limited by license
9 and/or patent exhaustion.

10 **EIGHTH DEFENSE**

11 69. Plaintiffs' claim for recovery is barred in whole or in part by 35 U.S.C.
12 §§ 286 and/or 287.

13 **NINTH DEFENSE**

14 70. Plaintiffs' claims are barred by 28 U.S.C. § 1498 to the extent they relate
15 to use or manufacture of the inventions of the '360 patent by or for the United States.

16 **TENTH DEFENSE**

17 71. Plaintiffs are not entitled to injunctive relief because any alleged injury is
18 not immediate or irreparable, and Plaintiffs have an adequate remedy at law.

19 **ELEVENTH DEFENSE**

20 72. Siemens Medical reserves the right to assert any additional defenses as
21 they become known during the course of this action or to the extent they are not
22 otherwise deemed affirmative defenses by law.

23 **TWELFTH DEFENSE**

24 73. Plaintiffs do not have standing to sue for infringement of the '360 patent.

25 **III. COUNTERCLAIMS**

26 Siemens Medical, for its counterclaims against plaintiffs and counterclaim
27 defendants NeuroGrafix and WRF (collectively, "Plaintiffs"), alleges as follows:

JURISDICTION AND VENUE

74. This is a civil action for a declaration of non-infringement, invalidity, and unenforceability of the patents-in-suit arising under the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*, and the Patent Laws of the United States, 35 U.S.C. § 1, *et seq.*

75. Siemens Medical denies that Plaintiffs have standing to bring this suit and therefore denies that this Court has subject matter jurisdiction. To the extent the Plaintiffs are found to have standing to bring this suit, this Court has subject matter jurisdiction over these counterclaims pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and 28 U.S.C. §§ 1331 and 1338(a).

76. Plaintiffs have submitted to personal jurisdiction in this Court. This Court also has personal jurisdiction over Plaintiffs by virtue of the business activities they conduct within California and within this District. This Court also has personal jurisdiction over Plaintiff NeuroGrafix because they are located in this District.

77. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c), and 28 U.S.C. § 1400(b), and because Plaintiffs filed their Complaint in this district.

THE PARTIES

78. Defendant and counterclaim plaintiff Siemens Medical is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business in Malvern, Pennsylvania.

79. Upon information and belief, plaintiff and counter-claim defendant NeuroGrafix is a California corporation with its principal place of business in Santa Monica, California.

80. Upon information and belief, plaintiff and counter-claim defendant WRF is a not-for-profit corporation incorporated and existing under the laws of the State of Washington.

COUNTERCLAIM I
DECLARATORY JUDGMENT OF NON-INFRINGEMENT

81. Siemens Medical incorporates by reference and realleges the allegations in paragraphs 74 through 80 above, as though fully set forth herein.

82. Plaintiffs filed their First Amended Complaint in this Court alleging that Siemens Medical infringes the '360 patent and that Plaintiffs have standing to bring a suit alleging infringement of the '360 patent.

83. Because Plaintiffs have sued Siemens Medical in the present action alleging infringement of the '360 patent, an immediate, real and justiciable controversy exists between Siemens Medical and Plaintiffs with respect to the alleged infringement of the '360 patent.

84. Siemens Medical does not infringe, has not infringed, directly, indirectly, willfully or otherwise, and does not and has not induced infringement or contributed to infringement of the '360 patent under any theory, including literal infringement or infringement under the doctrine of equivalents.

85. No claim of the '360 patent can validly be construed to cover any product made, used, sold, offered for sale, or imported by Siemens Medical.

86. In addition, Siemens Medical has defenses that preclude a finding of infringement, in whole or in part, including those listed in paragraphs 62-73.

87. Siemens Medical requests declaratory judgment that Siemens Medical does not infringe, directly or indirectly, any claim of the '360 patent.

COUNTERCLAIM II
DECLARATORY JUDGMENT OF INVALIDITY

88. Siemens Medical incorporates by reference and realleges the allegations in paragraphs 74 through 80 above, as though fully set forth herein.

89. An immediate, real and justiciable controversy exists between Siemens Medical and Plaintiffs with respect to the invalidity of the '360 patent.

90. Upon information and belief, discovery is likely to show that the claims of the '360 patent are invalid for failing to comply with one or more of the conditions for patentability as set forth in Title 35 of the United States Code, including without limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112.

91. Siemens Medical requests declaratory judgment that all claims of the '360 patent are invalid.

COUNTERCLAIM III
DECLARATORY JUDGMENT OF UNENFORCEABILITY

92. Siemens Medical incorporates by reference and realleges the allegations in paragraphs 74 through 80 above, as though fully set forth herein.

93. An immediate, real and justiciable controversy exists between Siemens Medical and Plaintiffs with respect to the unenforceability of the '360 patent.

94. Upon information and belief, discovery is likely to show that the '360 patent is unenforceable against Siemens Medical in whole or in part under the doctrines of waiver, acquiescence, estoppel, implied license, unclean hands, laches, release, and/or Plaintiffs' failure to comply with 35 U.S.C. § 287.

95. Siemens Medical requests declaratory judgment that the claims of the '360 patent are unenforceable against Siemens Medical and that Plaintiffs are entitled to no recovery or relief in this case.

PRAYER FOR RELIEF

WHEREFORE, Siemens Medical prays for judgment in its favor and against Plaintiffs and that Siemens Medical be granted the following relief:

- A. Dismissal with prejudice of Plaintiffs' Complaint in its entirety;
- B. Denial of all remedies and relief sought by Plaintiffs in their Complaint;
- C. Declaring that Siemens Medical does not infringe and has not infringed, willfully or otherwise, any claim of the '360 patent, either directly or indirectly, or literally or under the doctrine of equivalents;

D. Declaring that the claims of the '360 patent are invalid for failing to comply with one or more of the conditions for patentability as set forth in Title 35 of the United States Code, including without limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112;

E. Declaring that the '360 patent is unenforceable against Siemens Medical in whole or in part under the doctrines of waiver, acquiescence, estoppel, implied license, unclean hands, laches, release, and/or Plaintiffs' failure to comply with 35 U.S.C. § 287;

F. Declaring that Siemens Medical is a prevailing party under Federal Rule of Civil Procedure 54(d)(1) and awarding costs.

G. Declaring that this is an exceptional case pursuant to 35 U.S.C. § 285 and awarding Siemens Medical its costs, expenses, and disbursements in this action, including reasonable attorneys fees; and

H. Awarding Siemens Medical such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Siemens Medical hereby demands a jury trial on all the issues so triable.

1
2 DATED: September 2, 2010

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13 Attorneys for Defendant
14 SIEMENS MEDICAL SOLUTIONS USA, INC.

PROOF OF SERVICE

I, Sean M. McEldowney, am employed in the District of Columbia. I am over the age of 18 and not a party to the within action; my business address is 655 15th St., N.W., Washington, D.C. 20005.

as: On September 2, 2010, I served copy of the following document(s) described

**DEFENDANT SIEMENS MEDICAL SOLUTIONS USA, INC.'S
CORRECTED ANSWER, AFFIRMATIVE DEFENSES, AND
COUNTERCLAIMS**

on the interested parties in this action as follows:

By Facsimile

By transmitting via facsimile, the document(s) listed above to the fax number set forth below on this date before 5:00 p.m. I am aware that service is presumed invalid unless the transmission machine properly issues a transmission report stating the transmission is complete and without error.

By U.S. Mail

By placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, to the addressee(s) set forth below.

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing.

By Overnight Mail

By causing the document(s) listed above to be delivered to the addressee(s) set forth below on the following business morning by Federal Express Corporation or Express Mail.

By Personal or Messenger Service

By causing the document(s) listed above to be personally served in such envelope by hand to the person at the address(s) set forth below:

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33 I declare under penalty of perjury that the foregoing is true and correct.

34 Executed on September 2, 2010, at Washington, D.C.

35 Sean M. McEldowney

36 /s/ Sean M. McEldowney